Before the Copyright Royalty Board Library of Congress Washington D.C.

In the Matter of

DIGITAL PERFORMANCE RIGHT IN SOUND RECORDINGS AND EPHEMERAL RECORDINGS Docket No. 2005-1 CRB DTRA

Reply Proposed Findings of Fact and Conclusions of Law of SBR Creative Media, Inc.

Reply Proposed Findings of Fact

- 1. SoundExchange stated in its Proposed Findings of Fact: "Moreover, Mr. Rahn acknowledged that sound recordings are sometimes compensated at a higher rate than musical compositions in analogous situations. Rahn Dir. Test. at 89. He also acknowledged that he did not consider this fact when proposing that sound recordings and musical compositions should be compensated at the same rate. Rahn Dir. Test. At 89-90." (Proposed Findings of Fact By SoundExchange, Inc. at 1504).
- 2. Mr. Rahn went on to explain he did not he did not consider in his analysis occasions where sound recordings may be compensated at a higher rate such as synch rights, master use, music videos and ringtones -because he did not consider those situations to be analogous to webcasting or broadcasting. (Rahn Dir. Test. at 98, 110-111).

Reply Proposed Conclusions

- 1. DMCA-compliant webcasts operating under provisions of Section 114(f)(2) are analogous in material respects to radio broadcasts of similar programming.
- 2. Sound recordings are not compensated at a higher rate than musical compositions on radio broadcasts.

Respectfully submitted December 15, 2006

David W. Rahn Co-President

SBR Creative Media, Inc.

CERTIFICATE OF SERVICE

I, David W. Rahn, hereby certify that a copy of the foregoing <u>Proposed Findings of Fact</u> and <u>Conclusions of Law by SBR Creative Media</u> has been served this 15th day of December, 2006 by electronic mail and overnight express delivery on the following persons:

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December 15, 2006

VIA HAND DELIVERY

Copyright Royalty Board Library of Congress James Madison Memorial Building 101 Independence Avenue, S.E. Room LM-401 Washington, DC 20559-6000 RECEIVED

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Copyright Royalty Board

RE: Reply Proposed Findings of Fact and Conclusions of Law

Dear Sirs,

Please find enclosed five (5) copies and a receipt copy of Reply Proposed Findings of Fact and Conclusions of Law of SBR Creative Media, Inc.

Sincerely,

David W. Rahn

Enclosure